

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

MAR 31 1967

MEMORANDUM FOR HONORABLE A. B. TROWBRIDGE
ACTING SECRETARY OF COMMERCE

Subject: Policy re Wheat and Grain Shipments to European
Communist Countries

This will acknowledge and thank you for your memorandum of
March 10 regarding the above subject.

I have reviewed the interagency draft paper concerning our shipping
policy on the sale of wheat and feed grains to the USSR and Eastern
Europe. From a long-range maritime policy standpoint I am in favor
of eliminating the 50/50 U. S. -flag shipping requirement and the part
cargo rule applying to these cargoes so that shippers may have maximum
flexibility for trade with USSR and Eastern European countries.

As you know, at this time I am deeply engaged in developing a new
maritime policy. Also, I am certain you realize the sensitivity concern-
ing cargo preference and trade with Communist countries insofar as the
maritime industry is concerned. I believe that any attempt to remove
these shipping restrictions prior to the time that some agreement has
been reached on a maritime program and the Maritime Administration
is transferred into DOT would be extremely unwise. Removing the
restrictions would not be easy and such an effort could well scuttle
everything that has been accomplished to date toward getting acceptance
of a new maritime policy. Further, on the basis of the interagency draft
paper I am not fully convinced that there is a potential significant market
for U.S. wheat and feed grains in the USSR and Eastern Europe should
there be a relaxation in the present U. S. shipping restrictions.


Alan S. Boyd

CONFIDENTIAL

TRAN review(s) completed.

21 APR 1967

U.S. DEPARTMENT OF COMMERCE
OFFICE OF THE SECRETARY
EXECUTIVE SECRETARIAT

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DATE 4/20/67

TO : Mr. William N. Morell

FROM: Theodore L. Thau
Executive Secretary, ACEP

Please transmit the attached memorandum to the head of your department or agency and advise that Secretary Trowbridge believes further action on the Grain Study should be deferred for the time and reasons recommended by Secretary Boyd.

STAT

Copy sent to each 26 April 67

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